

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

CHRISTINE REEVES, *also known as* CHRISTINE
NEWMAN

and

VCARE USA LLC,

Defendants.

No. 2:19-cv-325-BJR

**DEFAULT JUDGMENT AND ORDER
FOR PERMANENT INJUNCTION**

Plaintiff, the United States of America, has filed a Motion for Entry of Default Judgment and Order for Permanent Injunction pursuant to Fed. R. Civ. P. 55(b), Fed. R. Civ. P. 65, and 18 U.S.C. § 1345 against Defendants Christine Reeves, also known as Christine Newman, and VCare USA LLC (hereinafter “Defendants”), based on Defendants’ violations of 18 U.S.C. §§ 1343 and 1956.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Court, having considered the Complaint; the Motion for Entry of Default Judgment and Order for Permanent Injunction, the declaration, and memorandum of points and

1 authorities filed in support thereof; the United States' Status Update; the Clerk of Court's Order
2 of Default; and the declarations, exhibits, and memorandum of points and authorities filed in
3 support of the United States' Motion for Entry of Preliminary Injunction, and being otherwise
4 advised, finds that:

5 1. This Court has jurisdiction over this action under 18 U.S.C. § 1345 and 28 U.S.C.
6 §§ 1331 and 1345.

7 2. The United States District Court for the Western District of Washington is a proper
8 venue for this action under 28 U.S.C. § 1391(b)(2) because Defendants are residents of this
9 district and because a substantial part of the events or omissions giving rise to this Complaint
10 occurred in this district.

11 3. The Complaint states a claim upon which relief may be granted against Defendants
12 under 18 U.S.C. § 1345.

13 4. Defendants were properly served with notice of the lawsuit on March 20, 2019.

14 5. Defendants have failed to answer or otherwise defend this action.

15 6. The Clerk of the Court properly entered a default against Defendants on July 29, 2019.

16 7. Because Defendants have defaulted, all allegations in the Complaint (other than
17 allegations relating to the amount of damages, if any) are taken as true.

18 8. As alleged in the Complaint, Defendants have participated in and have knowingly and
19 willingly acted in furtherance of an ongoing wire fraud scheme. The scheme preys upon
20 consumers across the United States—disproportionately elderly individuals—by having
21 overseas telemarketers misrepresent themselves as technicians for legitimate and well-known
22 computer companies, such as Microsoft, Yahoo, and Google, and claim that victims' personal
23 computers are infected by a computer virus or other security threat and require immediate and

1 expensive measures to respond to the threat and protect their systems going forward. The
2 schemers persuade victims to pay considerable sums of money for purported technical services
3 to address the false threats. Victims are told to send their payments to domestic entities that
4 include Defendants in the present case. Defendants in this case have opened multiple bank
5 accounts in Washington State to deposit these fraudulent proceeds, much of which they then
6 transmit to their overseas affiliates through international transactions.

7 9. As alleged in the Complaint, Defendants have engaged in such financial transactions,
8 and have transported, transmitted, or transferred funds from a place in the United States to or
9 through a place outside the United States, with the intent to promote the carrying on of wire
10 fraud contrary to 18 U.S.C. § 1343. Defendants have thus engaged in money laundering
11 contrary to 18 U.S.C. § 1956(a)(1)(A)(i) and in international money laundering contrary to 18
12 U.S.C. § 1956(a)(2)(A).

13 10. As alleged in the Complaint, Defendants have engaged in such financial transactions,
14 and have transported, transmitted, or transferred funds from a place in the United States to or
15 through a place outside the United States, knowing that the funds involved represent the
16 proceeds of some form of unlawful activity and knowing that such financial transactions and
17 such transportation, transmission or transfer are designed in whole or in part to conceal or
18 disguise the nature, the location, the source, the ownership, or the control of the proceeds of
19 wire fraud contrary to 18 U.S.C. § 1343, and have thus engaged in money laundering contrary
20 to 18 U.S.C. § 1956(a)(1)(B)(i) and in international money laundering contrary to 18 U.S.C.
21 § 1956(a)(2)(B)(i).

22 11. The Court finds that absent a permanent injunction, Defendants are likely to resume the
23 activities underlying the Complaint. Defendants' history of fraudulent and money laundering

1 activity establishes an unacceptable risk that, absent a permanent injunction, they will continue
2 committing wire fraud and banking law violations.

3 12. In a case involving statutory enforcement under a statute that authorizes injunctive
4 relief, the government need not establish the traditional showing of irreparable injury to obtain
5 an injunction. *FTC v. Consumer Defense, LLC*, 926 F.3d 1208, 1214 (9th Cir. 2019) (issued
6 June 17, 2019).

7 13. Accordingly, a permanent injunction constraining Defendants' future activities and
8 ensuring they cannot continue using the tools of their fraud and money laundering scheme is
9 warranted.

10 14. This Court has the authority to issue this Default Judgment and Order for Permanent
11 Injunction pursuant to 18 U.S.C. § 1345 and Federal Rules of Civil Procedure 55(b) and 65.

12 ORDER

13 PROHIBITED ACTIVITIES

14 **IT IS HEREBY ORDERED** that Petitioner's Motion for Entry of Default Judgment
15 and Permanent Injunction is **GRANTED. IT IS FURTHER ORDERED** that Defendants,
16 their agents, officers, and employees, and all other persons or entities in active concert or
17 participation with them, are permanently restrained from:

- 18 1. committing wire fraud, as defined by 18 U.S.C. § 1343;
- 19 2. committing money laundering, as defined by 18 U.S.C. § 1956;
- 20 3. maintaining and doing business through the use of the domain
21 "vcareusallc.com," including any website;
- 22 4. using any email within the domain "@vcareusallc.com" for any purpose;
- 23

5. impersonating any other technology company, or accepting or transmitting any consumer payments on behalf of or for the benefit of any person who impersonates any other technology company;

6. engaging in telemarketing activity that claims that a consumer's computer has been hacked or has a virus or other security-related infection, or accepting or transmitting any consumer payments on behalf of or for the benefit of any person who engages in such telemarketing activity;

7. accepting or transmitting any consumer payments related to purported technical-support services; and

8. failing to preserve records of any nature related to Defendants' business, financial, and accounting operations.

ORDERED at Seattle this 15th day of October, 2019.

Barbara Rothstein

Barbara Jacobs Rothstein
U.S. District Court Judge

1 Presented by:

2 s/ Daniel K. Crane-Hirsch

DANIEL K. CRANE-HIRSCH

3 Consumer Protection Branch

United States Department of Justice

4 P.O. Box 386

Washington, DC 20044

5 Tel.: 202-616-8242

Fax: 202-514-8742

6 Email: daniel.crane-hirsch@usdoj.gov

7 s/ Kayla C. Stahman

KAYLA C. STAHMAN, CA #228931

8 Assistant United States Attorney

United States Attorney's Office

9 700 Stewart Street, Suite 5220

Seattle, Washington 98101-1271

10 Phone: 206-553-7970

Fax: 206-553-4067

11 Email: kayla.stahman@usdoj.gov